

STATE: COMMONWEALTH OF PUERTO RICO

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Methods and Standards for Establishing Payments of Reasonable Costs of Inpatient Hospital Services.

General Statements:

Inpatient hospital services are limited to those rendered in public facilities including contract facilities.

Medicaid will not pay for services with inappropriate level of care.

Claims are processed by State Agency.

Prospective Rate Determination:

An all inclusive simple prospective per-diem reimbursement rate for inpatient hospital services will be established. The system still use the Medicare audited cost reports as the base for Medicaid rates.

Base Year:

The base year for 1985 and subsequent year Medicaid rates will be the individual hospitals Medicare TEFRA base year.

Inflation Factor:

PRDOH, using TEFRA base year rates as base period will increase such rates by 100% of the published TEFRA increase as an inflation factor. Compatibility with Puerto Rico health care costs was the determining factor in reaching the decision to use the TEFRA increase.

Allowable Costs:

The Medicare definition of allowable cost, plus other Medicaid costs such as Professional Services including Group Practice Contracts, Intern and Residents and Nursery costs shall be used to establish Medicaid Inpatient Costs.

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- c. Total day will be that day
census plus one day for each patient that
is admitted and discharged or deceased on the same day.
- d. A patient day must never be divided or reported as a
fraction day.
- e. In Puerto Rico, three newborn patient days equal to
one adult patient day.

Assurance for change of Ownership (DEFRA 2314)

In Puerto Rico, only Government owned or contracted hospitals
are paid to provide services to Medicaid eligibles. Consequently, a change
of ownership would become a private hospital which would not receive any

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payment for Medicaid Eligibles. In the case of contracted hospitals, while a transfer of plant and equipment takes place, the transfer is valid only for the duration of the contract and does not involve reevaluation of assets.

Therefore, it is hereby assured that payments to hospitals in Puerto Rico under the Medicaid Program will not be increased solely as a result of change of ownership.

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